



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

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## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

**Requestor Name**

Elite Healthcare Fort Worth

**Respondent Name**

Tarrant County Hospital District

**MFDR Tracking Number**

M4-15-1331-01

**Carrier's Austin Representative**

Box Number 43

**MFDR Date Received**

January 5, 2015

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Patient is approved for physical therapy for 6 visits."

**Amount in Dispute:** \$393.88

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "After careful review of the preauthorization Peer to Peer (Peer Review) Report, 6 sessions of therapy not to exceed 4 units per encounter were approved. The 4 units are applied to the highest allowed procedure first."

**Response Submitted by:** JI Specialty Services, Inc, P.O. Box 26655, Austin, Texas 78755

### **SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
April 17 – 18, 2014	97140, 97112	\$393.88	\$23.06

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

**Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.600 sets out guidelines for prospective and concurrent review of health care.
3. 28 Texas Administrative Code §134.203 sets out the reimbursement guidelines for professional services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 119 – Benefit maximum for this time period or occurrence has been reached
  - 168 – Billed charge is greater than maximum unit value or daily maximum allowance for physical therapy/physical medicine services.
  - 247 – A payment or denial has already been recommended for this service

## **Issues**

1. Did the requestor support services in dispute were pre-authorized?
2. What is the applicable rule pertaining to reimbursement?
3. Is the requestor entitled to reimbursement?

## **Findings**

1. The carrier denied the disputed services as 119 – “Benefit maximum for this time period or occurrence has been reached. Per 28 Texas Administrative Code §134.600 (p) Non-emergency health care requiring preauthorization includes: (5) physical and occupational therapy services, which includes those services listed in the Healthcare Common Procedure Coding System (HCPCS) at the following levels: (A) Level I code range for Physical Medicine and Rehabilitation, but limited to: (i) Modalities, both supervised and constant attendance; (ii) Therapeutic procedures, excluding work hardening and work conditioning.” Review of the submitted medical documentation finds;

- a. Sedgwick document dated 03/25/2014 which states in pertinent part; “Physical Therapy, Units Certified 6, Start date 3/20/2014, End date 5/31/2014.”

28 Texas Administrative Code §134.203 (b) states in pertinent part, “For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules.” The services in dispute have the narrative descriptions as follows;

97140 - Manual therapy techniques (eg, mobilization/ manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minute. This code requires direct contact of the health care provider with the patient and can be billed in 15-minute units.

97112 - Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities This code requires direct contact with a health care provider and may be billed in 15-minute units.

97113 - Therapeutic procedure, 1 or more areas, each 15 minutes; aquatic therapy with therapeutic exercises This code requires skilled intervention by the health care provider and documentation must support medical necessity of the aquatic environment. This code can be billed in 15-minute units.

Based on the above the Division finds “6 units” were certified for each encounter of physical therapy. The services in dispute will reviewed to allow for the additional “2 units” certified as part of the prior authorization but not reimbursed by the Carrier.

2. Per 28 Texas Administrative Code §134.203 (c) states, “To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications. (1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is (date of service yearly conversion factor). The maximum allowable reimbursement will be calculated as follows;
- Procedure code 97140, service date April 17, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.43086. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.987 is 0.3948. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.83365 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$46.48. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$35.47.
  - Procedure code 97112, service date April 17, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice

expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$38.79.

- Procedure code 97113, service date April 17, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.44088. The practice expense (PE) RVU of 0.76 multiplied by the PE GPCI of 0.987 is 0.75012. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 1.19899 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$66.84. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$66.84. The PE reduced rate is \$45.93 at 3 units is \$137.79. The total is \$204.63.
- Procedure code 97140, service date April 18, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.43 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.43086. The practice expense (PE) RVU of 0.4 multiplied by the PE GPCI of 0.987 is 0.3948. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.83365 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$46.48. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$35.47.
- Procedure code 97112, service date April 18, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.45 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.4509. The practice expense (PE) RVU of 0.48 multiplied by the PE GPCI of 0.987 is 0.47376. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 0.93265 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$52.00. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure does not have the highest PE for this date. The PE reduced rate is \$38.79.
- Procedure code 97113, service date April 18, 2014, represents a professional service with reimbursement determined per §134.203(c). The Medicare fee is the sum of the geographically adjusted work, practice expense and malpractice values multiplied by the conversion factor. The MAR is calculated by substituting the Division conversion factor. For this procedure, the relative value (RVU) for work of 0.44 multiplied by the geographic practice cost index (GPCI) for work of 1.002 is 0.44088. The practice expense (PE) RVU of 0.76 multiplied by the PE GPCI of 0.987 is 0.75012. The malpractice RVU of 0.01 multiplied by the malpractice GPCI of 0.799 is 0.00799. The sum of 1.19899 is multiplied by the Division conversion factor of \$55.75 for a MAR of \$66.84. Per Medicare policy, when more than one unit of designated therapy services is performed on the same day, full payment is made for the first unit of the procedure with the highest practice expense. Payment for each subsequent unit is reduced by 50% of the practice expense. This procedure has the highest PE for this date. The first unit is paid at \$66.84. The PE reduced rate is \$45.93 at 3 units is \$137.79. The total is \$204.63.

3. The total allowable reimbursement for the services in dispute is \$798.11. This amount less the amount previously paid by the insurance carrier of \$775.05 leaves an amount due to the requestor of \$23.06. This amount is recommended.

## **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$ 23.06.

## ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$23.06 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

## **Authorized Signature**

_____	_____	April , 2015
Signature	Medical Fee Dispute Resolution Officer	Date

## ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**